

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

☐

DATE

January 30, 2020

MOTOR CARRIER MATTER

☐

DOCKET NO.

2019-185-E/2019-186-E

UTILITIES MATTER

☒

ORDER NO.

SUBJECT:

DOCKET NO. 2019-185-E - South Carolina Energy Freedom Act (H.3659) Proceeding to Establish Duke Energy Carolinas, LLC's Standard Offer, Avoided Cost Methodologies, Form Contract Power Purchase Agreements, Commitment to Sell Forms, and Any Other Terms or Conditions Necessary (Includes Small Power Producers as Defined in 16 United States Code 796, as Amended) - S.C. Code Ann. Section 58-41-20(A);

-and-

DOCKET NO. 2019-186-E - South Carolina Energy Freedom Act (H.3659) Proceeding to Establish Duke Energy Progress, LLC's Standard Offer, Avoided Cost Methodologies, Form Contract Power Purchase Agreements, Commitment to Sell Forms, and Any Other Terms or Conditions Necessary (Includes Small Power Producers as Defined in 16 United States Code 796, as Amended) - Staff Presents for Commission Consideration Duke Energy Carolinas, LLC and Duke Energy Progress, LLC's Petition for Reconsideration, South Carolina Coastal Conservation League and Southern Alliance for Clean Energy's Amended Petition for Reconsideration or Rehearing, and Johnson Development Associates, Incorporated and South Carolina Solar Business Alliance, Incorporated's Petition for Reconsideration and/or Limited Rehearing.

COMMISSION ACTION:

The Commission has received Petitions to Reconsider or Rehear our ruling in Order No. 2019-881(A) from several parties in Docket Nos. 2019-185-E and 2019-186-E. Three Petitions were filed from Johnson Development and the Solar Business Alliance (jointly-filed), the Southern Alliance for Clean Energy and Coastal Conservation League (jointly-filed), and Duke Energy Carolinas and Duke Energy Progress (jointly-filed).

Johnson Development and the Solar Business Alliance request reconsideration or rehearing of six issues.

The first issue raised by JDA/SBA is the Commission's rejection of the Intervenor's proposal to add two additional energy pricing periods to the DEC Standard Offer. Mr. Chairman, I think the addition of the two pricing periods would add granularity to the pricing and therefore make the result more accurate. I move that we grant reconsideration on this issue and order that the two additional pricing periods be added to the DEC Standard Offer., Further, I move that DEC file an updated tariff reflecting this change within 30 days of the issuance of the final order.

The second issue raised by JDA/SBA is the Commission's approval of Duke's proposal to calculate Large QF avoided energy rates based on a project-specific production profile. Primarily, this issue is one of transparency. It was not the Commission's intent that a non-transparent rate be established. However, transparency is an important consideration and a significant premise of Act 62. I move that we grant reconsideration and order the Duke companies to prepare and file a tariff that is similar in structure to the Standard Offer, but is to apply to the Large QF's.

The third issue raised by JDA/SBA (and also raised by SACE/CCL) is the adoption of the ORS recommendation for seasonal allocation weightings. I move that we decline to reconsider our position and maintain the Commission's adoption of ORS Witness Horii's recommended seasonal allocations in Order No. 2019-881(A).

The fourth issue raised by JDA/SBA is the rejection of Intervenor's proposal to factor in the cost of an aeroderivative CT unit when calculating the avoided capacity rate. I move to deny reconsideration on this issue, maintaining the Commission ruling in Order No. 2019-881(A).

The fifth issue raised by JDA/SBA is to reconsider the Commission ruling, making clear that updated inputs used to

calculate Large QF avoided cost rates should apply to both the avoided capacity and avoided energy rates. I move that we reconsider, to the extent necessary, Order No. 2019-881(A) to require that the most up-to-date inputs be used in the calculation of both the avoided capacity and avoided energy calculation of Large QF avoided cost.

The sixth issue raised by JDA/SBA is the request for rehearing on the matter of longer-than-10-years duration for Purchased Power Agreements. I move that the Commission grant rehearing on this issue. The rehearing should be limited narrowly to the contract duration issue and related additional terms and conditions. Further, all parties wishing to participate in the rehearing process should attend a status conference with Commission staff for the purpose of establishing an appropriate procedural schedule for Commission consideration. Staff is directed to conduct this status conference with the parties within two weeks of the date of this directive.

The Duke Companies (DEC and DEP) have petitioned for reconsideration of our consideration and use of the Power Advisory, LLC work product. The Commission is entitled to consider the report of the Commission's independent, third-party consultant. Therefore, I move that we deny reconsideration on this matter.

The Duke Companies have also sought reconsideration– or perhaps clarification – of the number to be adopted for the CT Fixed Charge Rate. Our ruling inadvertently referenced a 9.931% figure that was subsequently corrected by the witness from the witness stand to 9.831%. The correct figure is 9.831%, and the Order should be corrected to reflect the correct figure.

In addition to these matters, several intervenors suggested in their petitions that this Commission misapprehends or does not understand the risks and benefits of utility-owned generation and third party-owned renewable generation. We will address this issue in the order, but our ruling appropriately recognizes those risks and benefits – and allocates value appropriately.

Finally, I move that we request any party that filed a petition for rehearing or reconsideration to file proposed orders or partial proposed orders consistent with this directive by Friday, February 14, 2020. A full written order will follow.

PRESIDING: Randall

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER	
BELSER	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
ERVIN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Recused</u>	Recused/Excused from Voting
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
RANDALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
WILLIAMS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Absent</u>	Military Leave

(SEAL)

RECORDED BY: J. Schmieding

